



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
1600 EAST LAMAR BLVD
ARLINGTON, TEXAS 76011-4511

August 5, 2013

Mr. A. Ben Schoffmann, President
and Chief Executive Officer
Kakivik Asset Management, LLC
560 East 34th Street, Suite 200
Anchorage, AK 99503

SUBJECT: NRC INSPECTION REPORT NO. 03035371/2013001 AND NOTICE OF VIOLATION

Dear Mr. Schoffmann:

This refers to the inspection conducted on June 26, 2013, at your facility in Anchorage, Alaska, with continued in-office review through July 15, 2013. During this routine, announced inspection, the inspector examined activities conducted under your license as they relate to public health and safety and the common defense and security to confirm compliance with the Commission's rules and regulations and with the conditions of your license. Within these areas, the inspection consisted of selected examination of procedures and representative records and interviews with personnel. A preliminary exit briefing was conducted with Mr. Pat Pettijohn and you at the conclusion of the onsite portion of the inspection. A final exit briefing was conducted with Mr. Pettijohn on July 15, 2013.

Based on the results of this inspection, the U.S. Nuclear Regulatory Commission (NRC) has determined that a Severity Level IV violation of NRC requirements occurred. The violation was evaluated in accordance with the NRC Enforcement Policy. The current Enforcement Policy is included on the NRC's Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/enforce-pol.html>. The violation is cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding it are described in detail in the Notice. The violation is being cited in the Notice because it was identified by the NRC during the inspection. The violation involved the failure to perform a complete trustworthiness and reliability review. The inspector noted that the individual would likely have been granted unescorted access if the required reviews had been performed.

You are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The guidance in NRC Information Notice 96-28, "Suggested Guidance Relating to Development and Implementation of Corrective Action," may be helpful. You can find the Information Notice on the NRC website at: <https://www.nrc.gov/reading-rm/doc-collections/gen-comm/info-notices/1996/in96028.html>. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.390 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response, will be made available electronically for public inspection in the NRC Public Document Room or from the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy or proprietary, information so that it can be made available to the Public without redaction.

Should you have any questions concerning this letter, please contact Mr. Jason Razo at 817-200-1589.

Sincerely,

/RA/

G. Michael Vasquez, Chief
Nuclear Materials Safety Branch A
Division of Nuclear Materials Safety

Docket: 030-35371
License: 50-27667-01

Enclosure:
Notice of Violation

cc w/encl: Director, Alaska Radiation Control Program

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cc w/encl: Director, Alaska Radiation Control Program

DISTRIBUTION w/encl:

Steven Reynolds, Acting RA
 Thomas Bergman, Acting DRA
 Anton Vegel, D:DNMS
 Roberto Torres, DD:DNMS
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 Marisa Herrera, Fee Coordinator
 R4DNMS_MS-A

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ADAMS: <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> SUNSI Review Complete	Reviewer Initials: JMR5	
	<input checked="" type="checkbox"/> Publicly Available	<input checked="" type="checkbox"/> Non-Sensitive	
Category A.	<input type="checkbox"/> Non-publicly Available	<input type="checkbox"/> Sensitive	
KEYWORD:			
RIV/DNMS/MSB-A	C:NMSB-A		
JMRazo	GMVasquez		
<i>/RA/</i>	<i>/RA/</i>		
07/24/2013	08/05/2013		

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NOTICE OF VIOLATION

Kakivik Asset Management, LLC
Anchorage, Alaska

Docket No.: 030-35371
License No.: 50-27667-01

During the U. S. Nuclear Regulatory Commission (NRC) inspection conducted from June 26 to July 15, 2013, a violation of NRC requirements was identified. In accordance with the NRC Enforcement Policy, the violation is listed below:

License condition 18 of NRC materials license 50-27667-01, Amendment 23, states, in part, that the licensee will comply with the requirements of the "Order Imposing Increased Controls" (IC). IC 1.b., states, in part, that for individuals employed by the licensee for three years or less, trustworthiness and reliability (T&R) shall be determined, at a minimum, by verifying employment history, education, and personal references.

Contrary to the above, on June 26, 2013, for an individual employed by the licensee for three years or less, the licensee failed to, at a minimum, determine T&R by verifying employment history, education, and personal references. Specifically, an individual was determined to be T&R without verification of personal references.

This is a Severity Level IV violation (Section 6.12).

Pursuant to the provisions of 10 CFR 2.201, Kakivik Asset Management, LLC is hereby required to submit a written statement or explanation to the U.S. Nuclear Regulatory Commission, ATTN: Document Control Desk, Washington, DC 20555-0001, with a copy to the Regional Administrator, Region IV, within 30 days of the date of the letter transmitting this Notice of Violation (Notice). This reply should be clearly marked as a "Reply to a Notice of Violation" and should include for the violation: (1) the reason for the violation, or, if contested, the basis for disputing the violation or severity level; (2) the corrective steps that have been taken and the results achieved; (3) the corrective steps that will be taken; and (4) the date when full compliance will be achieved. Your response may reference or include previous docketed correspondence, if the correspondence adequately addresses the required response. If an adequate reply is not received within the time specified in this Notice, an order or a Demand for Information may be issued requiring information as to why the license should not be modified, suspended, or revoked, or why such other action as may be proper should not be taken. Where good cause is shown, consideration will be given to extending the response time.

If you contest this enforcement action, you should also provide a copy of your response, with the basis for your denial, to the Director, Office of Enforcement, United States Nuclear Regulatory Commission, Washington, DC 20555-0001.

Your response will be made available electronically for public inspection in the NRC Public Document Room or in the NRC's Agencywide Documents Access and Management System (ADAMS), accessible from the NRC Web site at <http://www.nrc.gov/reading-rm/adams.html>. To the extent possible, your response should not include any personal privacy, or proprietary information so that it can be made available to the public without redaction. If personal privacy or proprietary information is necessary to provide an acceptable response, then please provide a bracketed copy of your response that identifies the information that should be protected and a redacted copy of your response that deletes such information. If you request withholding of such material, you must specifically identify the portions of your response that you seek to have withheld and provide in detail the bases for your claim of withholding (e.g., explain why the

disclosure of information will create an unwarranted invasion of personal privacy or provide the information required by 10 CFR 2.390(b) to support a request for withholding confidential commercial or financial information).

In accordance with 10 CFR 19.11, you may be required to post this Notice within two working days of receipt.

Dated this 5th day of August 2013.